U.S. radio services multiplies, along with analytic programs that track online listenership down to the second. These virtually limitless possibilities have become very real for broadcasters.

But here's the kicker: *Even in the online world, success for broadcasters is tied to a conscious decision to target content to a specific group at the sacrifice of being "all things to all people."* Where on-air and streamed online traffic reports in Dallas are invaluable to someone trying to make it to work on time in that city, someone listening online from Raleigh or even London is necessarily alienated by the unfamiliar and useless information. One of radio's inherent strengths continues to be localism, which means keeping people informed of what is going on in a specific community or group of communities, however defined. Broadcasters cannot turn their back on the communities in which they exist simply to cater to the global population. Indeed, many now impose geographical boundaries on their content while still making it accessible from anywhere in the world. For stations that want to put in the effort and target a broader audience, it is technically feasible to separate purely local content out of online audio and fill the time with something more global in nature.

Currently, there are more than 13,000 radio stations on the air in the United States alone, with countless more in every country on Earth. While online presence is a part of the larger picture, the remainder of this chapter tightens its focus to terrestrial broadcast radio. The storyline consists of a proposed scenario about whether or not to buy and program a station in the hypothetical market. The problems and the principles for finding solutions discussed here, however, are fully applicable to the programming decisions of today's cable, satellite and online audio services because they compete in the same or similar marketplaces (see 11.4 and 11.5).

11.4 Dominant Players

There has been a lot of commentary about consolidation in radio, but how dominant are the top radio companies? There are different ways of measuring that, but in 2009, only Clear Channel and CBS reported more than $1 billion in revenue ($2.35 billion for Clear Channel, $1.2 billion for CBS). The top three groups generated revenues totaling $4.4 billion (if one combines the revenue generated by the now merged Cumulus and Citadel stations). The remaining six companies in the top ten accounted for $1.6 billion … or about 72 percent of what Clear Channel alone did in the last full reported fiscal year before work began on this chapter (see 11.5).

Dominant Content Providers

Clear Channel

Clear Channel Communications, founded in 1972, has two operating divisions—Radio and Outdoor Advertising. Of primary interest here, the radio division is the largest group owner in the U.S., currently operating more than 850 stations in approximately 150 markets (including 89 of the top 100). That figure is substantially reduced from its post-Telecommunications Act peak of more than 1,200 stations, however. Economic factors and other strategic considerations led the company to sell a number of stations, primarily in smaller markets, between 2007 and 2010.

Although Clear Channel's stations run the full gamut of formats, they have particular strengths in CHR, AC and News-Talk. In addition to the stations and their companion websites, the company's assets also include a leading smartphone app, iheartradio. It also owns about 140 stations in Australia and New Zealand (owned in partnership with local entities); Premiere Radio Networks, which syndicates approximately 90 radio programs including Rush Limbaugh, Ryan Seacrest, Steve Harvey and Delilah. Besides all that, it owns Katz Media Group, a leading advertising rep firm with more than 3,000 radio and TV clients; RCS, a leading provider of broadcast software including the most popular music scheduling application—Selector; Inside Radio, a radio industry trade publication; and Clear Channel Total Traffic Network and CCC News Networks.

Cumulus

In 2011, Cumulus Media, the country's second largest group owner by number of stations, acquired Citadel

(*Continued*)

11.4 Dominant Players (*Continued*)

Broadcasting, the third largest radio group in the U.S. The combined group has more than 550 stations reaching 120 markets, including 8 of the top 10. Ranked by number of stations, there is now a very big gap between the top two radio companies and everybody else. The new Cumulus combined Citadel's format strengths in Country with Cumulus' larger station roster.

The company also includes all of the former Citadel Media (and former ABC Radio Networks), a major syndicator whose offerings include *Imus in the Morning, American Country Countdown*, ESPN Radio, ABC News and Sports, and ESPN Deportes as well as other Spanish-language programming (some in partnership with Hispanic digital content provider Terra).

CBS

In contrast to Clear Channel and Citadel, CBS has focused almost exclusively on large market stations—of their 130 properties, 129 are in markets among the top 50 DMAs (the exception is KEZN in Palm Springs, CA). As a result, even though the number of stations owned is much smaller than the totals for Cumulus or Clear Channel, CBS is a solid number 2 in radio revenue.

In addition to the stations, the company also has its own mobile app (*radio.com*) which includes a number of channel offerings from outside the CBS group. Although late entering the online universe under former head Mel Karmazin (who didn't see streaming as important to the business), all CBS stations now offer live streams of their programming as well as a multitude of other digital offerings. Perhaps best known for their flagship News and News-Talk stations such as WCBS (New York), WBBM (Chicago), KMOX (St. Louis), WCCO (Minneapolis-St. Paul) and KCBS (Los Angeles), the company also has significant programming strength in various adult-leaning pop and rock formats—classic hits, AC, Hot AC, adult hits and alternative/AAA.

Univision

Univision Radio was created in 2003 when television company Univision completed its acquisition of Hispanic Broadcasting Corporation. The radio unit, part of Univision Local Media, is now the largest Spanish radio network in the U.S., operating 70 stations in 17 markets, including all of the top 10. Their primary growth since 2003 has come through the acquisition of English-language stations in the largest Hispanic markets in the U.S. Those stations are then reformatted and launched as Hispanic.

The formats include the following: Adult Contemporary (in the Hispanic version, some combination of Romántica, ballads, international pop hits and top 40); Regional Mexican (Banda, Ranchera, Mariachi and Norteña music); Tropical (a "Latin beat" music format from the Caribbean that includes salsa, merengue, cumbia and reggaeton genres); Tejano (music performed by Tex-Mex/Chicano groups (*conjuntos*) that is a cross between contemporary Rock/Ranchera/Country, with lyrics in both Spanish and English and potentially appealing across ethnic boundaries); *Hip-Hop* (Hip-Hop music culture today has obviously grown far beyond its urban roots, reaching all segments of American society); and *Radio*Cadena Univision-News/*Talk/Sports AM Network*.

In addition to their own stations, Univision syndicates a number of their personalities and shows to Spanish-language stations in other markets, including Eddie "Piolín" Sotelo, whose *Piolín por la Mañana* originates weekday mornings on KSCA and is syndicated to approximately 50 markets; Javier Romero, who hosts a music-intensive morning show that also features lots of interviews in Miami, *El Desayuno Musical*; Raul Brindis, whose morning show originates at KLTN in Houston; and New York's Luis Jimenez, host of a morning show that is stylistically similar to many English-language morning offerings, with prank calls, musical parodies, comedy characters and sketches and listener telephone calls.

Westwood One

Also in 2011 (a busy year), Westwood One merged with Triton Media Group, the parent company of Triton Radio Networks (which included Dial Global), Triton Digital Media and TM Studios. The merged company created the largest provider of radio content in the U.S. Its services include the following:

- Thirteen format offerings are available as 24/7 "turnkey" programming or in more customized structures.
- More than 200 syndicated programming choices available for almost any programming hole, from short features lasting no more than a couple of minutes (e.g., *Ask Dr. Phil, Late Show Top Ten, Talking Points with Bill O'Reilly, Weather Channel Radio Network*)

(*Continued*)

to weekly one- to two- hour programs (such as *Beatle Brunch, Dave Koz, House of Blues Radio Hour*, countdown shows for country, CHR and AC formats, and MTV Tres, a Spanish-language countdown) to syndicated personalities for Monday–Friday dayparts (*Kevin & Bean, Bob & Sheri, Rocsi on the Radio, The Billy Bush Show*).

- Special programming built around several entertainment events such as the Grammy Awards, the Academy of Country Music Awards and the BET Awards, with packages tailored to particular formats.
- National broadcast rights for a number of top sports, including the NFL, NCAA football and basketball, and the major PGA tournaments.
- A range of digital services and products provided by Triton Digital Media, including content management system (CMS) architecture, streaming management, web analytics, mobile apps, texting and email services, game and audience loyalty elements, and ad insertion.
- A rep firm.
- And all of TM Studios' services include commercial jingles; radio, TV and online imaging packages, music libraries; production music; and show prep and comedy services.

NPR

National Public Radio (NPR) is the largest producer and distributor of public radio programming in the U.S., but it differs in significant structural ways from its commercial counterparts. NPR is not a network with affiliate stations, but rather a membership organization that provides programming and other services to its member stations. And its business model is very different. Unlike commercial networks or syndicators, NPR carries no advertising in its broadcasts (although like other public media, it can—and does—include advertising on its non-broadcast platforms such as the website).

Instead, broadcast revenue comes from a combination of philanthropic grants, government funding, program fees from member stations and underwriting (as explained in relation to PBS in Chapter 10). Underwriting is a form of support where businesses make donations to NPR (or local public radio stations) to support either the general operation of the service or, more often, a specific program. In return, they receive brief statements on air thanking them for the support and, one assumes, the goodwill of listeners to the program. These "thank you" announcements are called underwriting spots, not commercials; and, unlike commercials, they are governed by specific FCC restrictions limiting what can be said about the business in several ways.

While music is a relatively minor element of the programming offered by National Public Radio (although this varies among public radio stations), NPR is notable for a number of the shows they produce and/or distribute. These include *All Songs Considered* (and the All Songs Considered 24/7 Music Channel online and mobile service); long-running favorites like Marian McPartland's *Piano Jazz, Mountain Stage, The Thistle and Shamrock* and *World Café*; and various concert recordings from South by Southwest, Bonnaroo, the Village Vanguard and other locations.

NPR has also been a technological pioneer in radio. They were among the first to develop satellite distribution of programming to stations in the 1980s and, more recently, have been leaders in the rollout of various online and mobile applications for getting audio content to audiences.

American Public Media

American Public Media is the parent organization for Minnesota Public Radio, Southern California Public Radio and Classical South Florida. Beginning with the launch of a single classical music station in Minnesota in 1967, they have grown to operate 43 radio stations and 32 translators in Minnesota, Iowa, Wisconsin, Michigan, South Dakota, North Dakota, Idaho, California and Florida (making them the largest owner and operator of public radio stations in the U.S.).

The second-largest producer and distributor of public radio programming, American Public Media is the largest producer and distributor of classical music programming in the country, offering a full-range of content for classical stations from a 24-hour, seven-day-a-week classical music service to *Performance Today*, a daily two-hour classical music program, to weekly programs and specials. They also provide a number of other prominent programs including that all-time favorite *A Prairie Home Companion*, *The Splendid Table, Marketplace* and *Being*.

Like NPR, it is considered an innovator. In addition to developing a wide range of new media platforms and content, APM was the recipient of the first Knight News Innovation EPpy Award for their Public Insight project. This project, which has been rolled out to many other major

(*Continued*)

11.4 Dominant Players (*Continued*)

public radio and TV stations, develops and applies social media techniques to engage the public and tap its insight with the goal of producing significant journalism featuring stories and perspectives from every facet of experience.

PRI

Public Radio International is the third major distributor of noncommercial radio fare in the U.S. Established in 1983 as American Public Radio, PRI understandably changed its name to Public Radio International in 1994 (it was constantly confused with APM). It distributes over 400 hours of programming weekly to approximately 800 stations in the U.S., as well as across other media platforms—including SiriusXM's Public Radio Channel. Although its best known programs are talk-based (including *This American Life, Michael Feldman's Whad'Ya Know, BBC World Service* and *Bob Edwards Weekend*), it also produces and/or distributes a number of music and music-oriented talk programs. These include *Echoes* (a mix of instrumental, world music and impressionistic jazz recordings along with *Living Room Concerts* recorded in artists' homes), *Afro-Pop Worldwide* (the music of Africa, the Caribbean and the Americas), *Soundcheck* (covering music of all genres, featuring interviews, listener phone calls and studio performances), *Jazz After Hours* and the *Pittsburgh Symphony Orchestra*.

Ancillary Services

Arbitron

For most stations, networks, syndicators and advertisers, Arbitron is *the* provider of radio audience information in the U.S., in both local markets and nationally. Local radio ratings are available both in local station/advertiser form and for networks (Arbitron Nationwide). The national network rating service is known as RADAR. The company was also the developer of the Portable People Meter (PPM) device that has replaced diaries as the primary means of gathering radio ratings data in many markets (see Chapter 5 for a full discussion of PPM), and that has led to various forms of cross-media audience measurement. The company also provides consumer behavior research (such as such as lifestyles, shopping patterns and media behavior) through their Scarborough Research division. Its methods enable marketers and media companies to develop much more complex profiles of their consumers on a local, regional and national basis.

Billboard

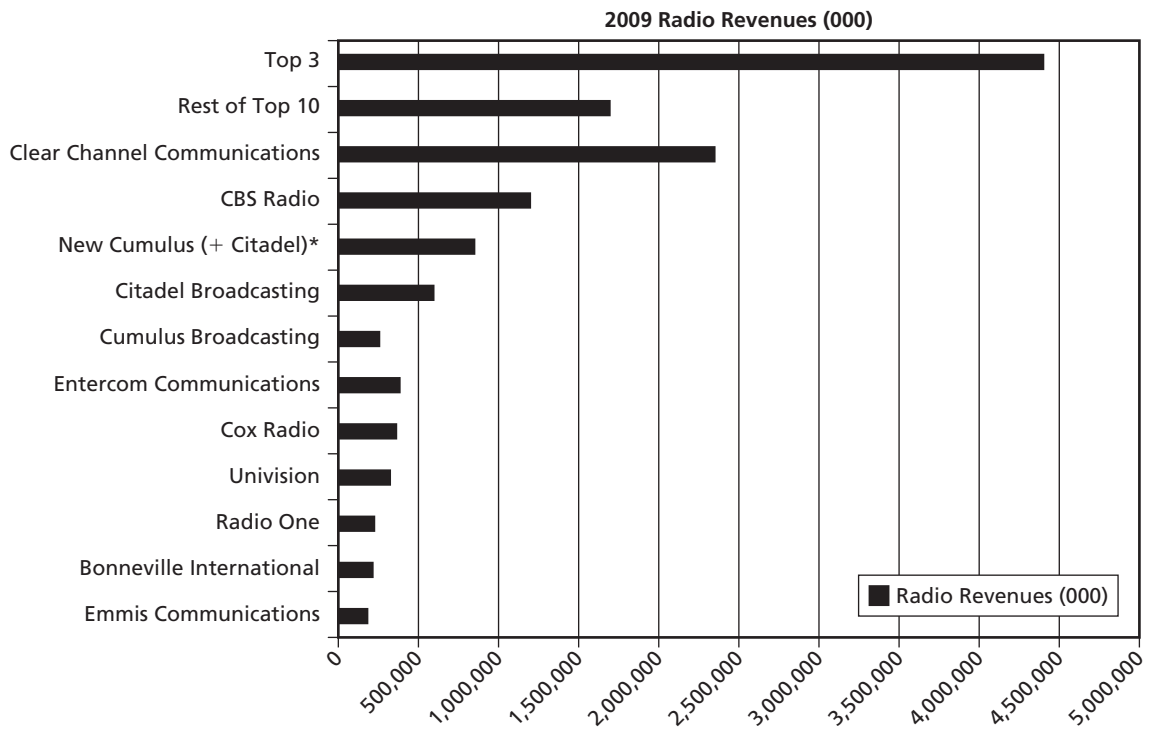
Billboard Magazine, part of the Billboard Information Group (a division of Nielsen Business Media) is published weekly. Following its acquisition of *Radio & Records*, its became the leading trade publication for the music and radio businesses, although the scope of its coverage extends beyond pure music to include much of the entertainment industry. Along with news, analysis and trend reporting, it features widely-watched charts of music sales, airplay and downloads developed with data from Nielsen SoundScan and Nielsen Broadcast Data Systems. The company has separate online presences for industry pros (*billboard.biz*) and consumers/fans (*billboard.com*).

Billboard.biz houses the full collection of weekly charts and all of the articles printed in each week's magazine, a database of all *Billboard* articles, reviews, features and special reports dating back to 1991, as well as weekly album, singles and video charts dating back to 1984 and year-end charts dating back to 1946. *Billboard.com* is more of a typical consumer entertainment news site, with music news, videos and a limited selection of weekly charts.

Jacobs Media

Jacobs Media is a Detroit-based media research and consulting firm. Although there are many prominent radio consultants, Jacobs Media stands out in a couple of ways. First, in addition to its status as the preeminent rock radio consultancy and creator of the Classic Rock format, its staff has also worked extensively with public radio stations and NPR—likely the only major consultant to have a significant client base in both the commercial and noncommercial sectors. Second, its was one of the earliest voices in radio to recognize the importance of mobile applications, and the JācApps service that Paul and Fred Jacobs began has developed hundreds of mobile apps for both commercial and noncommercial stations, groups and networks, as well as other companies.

11.5 Station Groups by Revenue



Choosing a Format

The heart of most radio stations continues to be their music, however distributed, and the principles guiding on-air have counterparts for cable, satellite and online-only radio. In all cases, the program director's job is essentially a continuous cycle of *analysis, design* and *implementation*. The first step in analyzing a market is a thorough evaluation of all stations (or competing services) and their current programming. This information can then be used to modify or replace existing program formats or to decide which property to buy and what to do with it after purchase. Such an evaluation, in the context of the company's overall strategy, takes into account the following factors: (1) the technical facilities of each station or service, (2) the character of the local or national market, (3) the delineation of a target audience, (4) the available budget and (5) the potential revenue. Once completed, this evaluation will determine which music format is commercially viable and which can best help the station or service succeed in a given market.

Comparing Technical Facilities

Unlike television, radio isn't going fully digital anytime soon. Industry deals still focus on traditional AM and FM analog technology. Therefore, the old rule holds for now: *The best over-the-air facility has the best chance to succeed.* Going head-to-head with a similarly formatted competitor that has better facilities is almost always a big mistake. For AM stations, *power* (strength of signal), *frequency* (lower in the band is better) and any *license limitations* (reduced power or eliminated night service and directional requirements) are the key factors. For FM stations, *power* and *antenna height* are the crucial considerations. Generally, these elements determine signal quality.

A clear, undistorted signal is less tiring to the listener than one that is distorted, faint or accompanied by natural or artificial interference. *All other qualities of similar formats being equal, the station or service with the best signal will be the listener's choice.* Emotional fatigue unconsciously sets in after a period of straining to hear a program with a noisy, uncomfortable signal.

An FM station with 100,000 watts of effective radiated power (ERP) and that has its antenna assembly mounted on a 1,000-foot tower is a much better facility than a station with the same power but with the antenna mounted on a 500-foot tower. An AM station with a power of 50,000 watts on a clear channel (820 kHz) is a much better technical facility than a station with 5,000 watts of power at 1570 kHz. *Usually the low-power station is at the mercy of the higher-power station.* A 5,000-watt facility with a talk or news format may be very vulnerable to a same-format station broadcasting at 10,000 or 50,000 watts because the more powerful station will provide a listenable signal over a larger area.

This rule of thumb does not hold in all cases. For example, a 5,000-watt facility at 1600 kHz might easily fall victim to a 1,000-watt station at 710 kHz. *In AM, both power and dial position are important. The lower the frequency, the greater the range of the AM signal.* A 1,000-watt AM station at 710 kHz might easily reach a bigger population than a 10,000-watt station at 1600 kHz.[4]

In FM, tower height and power are the principal considerations, and antenna height is generally the most important (a station with a higher antenna using lower power will generally cover more area than a station with more power but a much lower antenna). However, the terrain is also an important factor; hills can block FM signals. Three classes of FM have been developed (see 11.6).

Defining the Competitive Market

Before any discussions of the opportunities that exist within a market can take place, it is absolutely essential that a complete and thorough market analysis be

11.6 Classes of FM Stations

There are three broad classes of FM stations, although there are also subclasses, and not all stations use the class maximums. Class A stations are permitted a maximum of 6,000 watts—or 6 kilowatts (kw)—ERP with a maximum antenna height-above-average-terrain (HAAT) of 100 meters, which provides a signal radius of approximately 18 miles. Class B stations (located in the more densely populated eastern United States) have a maximum ERP of 50 kw and a HAAT of 150 meters. Class C stations are located primarily in the flat parts of the western United States and are permitted up to 100 kw and a maximum HAAT of 600 meters. These stations may have a signal radius of 60 miles or more. Dial position is much less technically important in FM, although stations at the center of the dial get more sampling. An FM station at the upper fringe of the band (the lower portion from 88 to 92 MHz is reserved for noncommercial stations) needs an advertising and promotional blitz when altering its format.

For many years, AM was the king of radio. AM stations were tops in ratings, regardless of format. Beginning in the 1970s, FM replaced AM as the music format champion. Music simply sounded better on FM because of the technical differences between the two bands. Furthermore, FM doesn't fade under bridges or inside urban skyscrapers and doesn't suffer from weather interference the way AM does. To survive, AM turned toward full-service programming, including elements of news, talk, sports, satellite or syndicated programming, ethnic (non-English-language), and religious (preaching and gospel music) content. The station's technical facility plays an important part in the initial decision about whether to enter the music programming competition. It would be aesthetically foolish and economically disastrous to pit, say, an AM station against a full-power FM station in the contemporary rock field. *Always—having the best or one of the best facilities in the market is crucial to beating the competition.*

completed. As discussed in Chapter 5, Arbitron (*www.arbitron.com*) data is an invaluable resource in this process that provides an immense amount of information ranging from demographic breakdowns of current stations to format performance and critical reception in the market. All of this data compiled together will paint a clear picture of the competitive landscape—what competition exists in the market, what formats are present, and where the format holes or underserved demographics may be. Further, it will identify the key players in the market and identify the strengths of each.

The first step is identifying geography: "*Where will the radio station in question exist?*" Although the internet makes it possible to hear programming almost anywhere, most of the audience will be from the local area, and so that area is generally the first concern of programmers. However, this process is not as simple as merely identifying the city. Arbitron makes clear distinctions among radio markets across the country, and nearly every viable radio station falls into more than one geographic category. Note that Arbitron reviews, and sometimes changes, these market definitions on an annual basis.

To review the relevant material from Chapter 5, the **Metro Survey Area** (often referred to simply as "metro" or "the metro,") is defined as counties where the sum of the percentage of listening and the percentage of commuting is 70 percent or more, provided that a minimum of 55 percent of the listening in the county is credited to stations that are home to the existing metro radio market. The **Area of Dominant Influence**, or **ADI**, includes all counties adjacent to the Metro where measured listening is predominantly to the stations from that metro. All counties are exclusive to one ADI (in other words, are assigned to one, and only one, ADI). However, the assignment can change over time if listening patterns change. The **Total Service Area (TSA)** includes the outlying counties that often directly border the counties in the ADI that have significantly less total listening to stations in a market but are still served by the stations in that area. The **Designated Market Area (DMA)**, similar to the ADI but defined by Nielsen and not Arbitron, is the area that makes up the television viewing market, and will often contain counties well beyond the reach of a terrestrial radio station but served by television stations in the market. Once these areas are all identified on a map, a **Coverage Map** (how far a station's signal will travel from its tower) of the station should be placed over top of the market map to identify how the station in question relates to the different categories. These will be important not only in understanding what areas the station will cover, but also in estimating potential revenue, which is covered later in this section.

Because these are man-made geographic boundaries, it is likely that a station may service areas that fall in more than one ADI or TSA (or, in some densely populated areas, even more than one metro). For example, the Brunswick market on the coast in Southeast Georgia is at the far north end of the Jacksonville, Florida DMA. The signals of the stations based in the metro (a one-county metro, Glynn County) do not simply stop at the county line, but broadcast into areas north toward Savannah, areas that are outside of the DMA. In this case, the TSA actually straddles two different DMA's: Savannah, Georgia, and Jacksonville, Florida. To see the market breakdown in the city you live in, or in the geographic area you are most familiar with, look for the most recent Arbitron map in the radio reference library at *http://www.arbitron.com/radio_stations/reference_metroinfo.htm*.

The next step in completing the radio market analysis is to compile a list of all of the radio stations that currently exist in the metro, any *construction permits (CPs)* that may have been granted or are pending with the FCC, and those stations in both the TSA and DMA that may provide fringe competition. This list should include important statistics for *each* station that include but are not limited to: service (AM or FM), frequency (98.7 Mhz, for example), signal strength (in watts), antenna height above average terrain (for FM stations), format, owner and ratings.

One common methodology helps to represent some of this data in graphic form to make the analysis

easier. A demographic profile of each station and each ownership group is represented in a set of bar graphs to show what percentage of listenership a station has in each of the six standard demographic groups. The bars in such graphs display the age "leaning" of a station's audiences, suggesting the industry name of **skew graphs**. Arbitron is the principal source of these data. If using a hard copy of the Arbitron ratings book, this information can be found already completed in the 6 A.M. to midnight, Monday through Sunday page. This information can also be obtained online through Arbitron's TAPSCAN software (by subscription only) that will create these or any other reports on demand. While Arbitron is the preeminent source, any audience analysis service that provides demographic separation will have the necessary information. Skew graphs for two stations in the hypothetical market that is considered in this chapter are shown in 11.7.

Once the market is identified, coverage maps are created, and demographic profiles are assembled, program strategists can begin the work of identifying what opportunities exist in the market. They can quickly decide what demographic groups are best served by which stations and groups, and therefore which stations will represent major competition. Compare the examples from the hypothetical market in 11.7. KAAA, a rock station, is skewed male (nearly 70 percent) and young (more than half the audience is younger than 35 years of age). KIII, a soft AC, is nearly the opposite. Their audience is nearly all female and older (almost 60 percent between 35 and 64 years of age).

Graphs for the Big Sky and RadioEast station clusters appear in 11.8. Although the individual stations vary, group patterns emerge here. Both groups skew male overall, but Big Sky more so. There are also significant differences in the age breakouts. RadioEast is strongest for ages 35 to 54, while Big Sky's stations appeal to younger listeners. These differences reflect the existing formats of the stations in each group, but more important, they provide important strategic information about the marketplace for a potential new entrant (including any reformatted station within one of these groups). In order to maximize the advantages of group ownership, it is essential not only to look at the formats of individual stations but also to consider how the programming and audiences for each station fit together in the group. Different groups try to leverage different audience segments. One may focus on capturing the female audience across several age categories; another may try to dominate a specific age demographic for both men and women. It cannot be overstated that most such decisions are based on financial considerations relating to potential revenue, as well as how likely programming decisions may or may not attract advertisers.

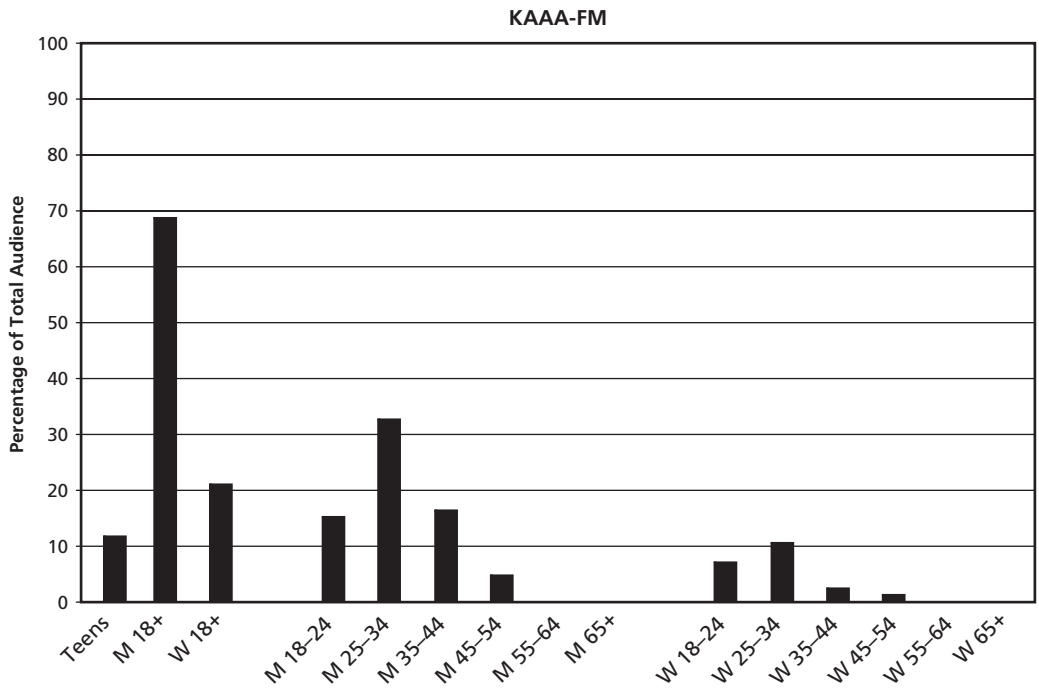
Identifying Target Audiences

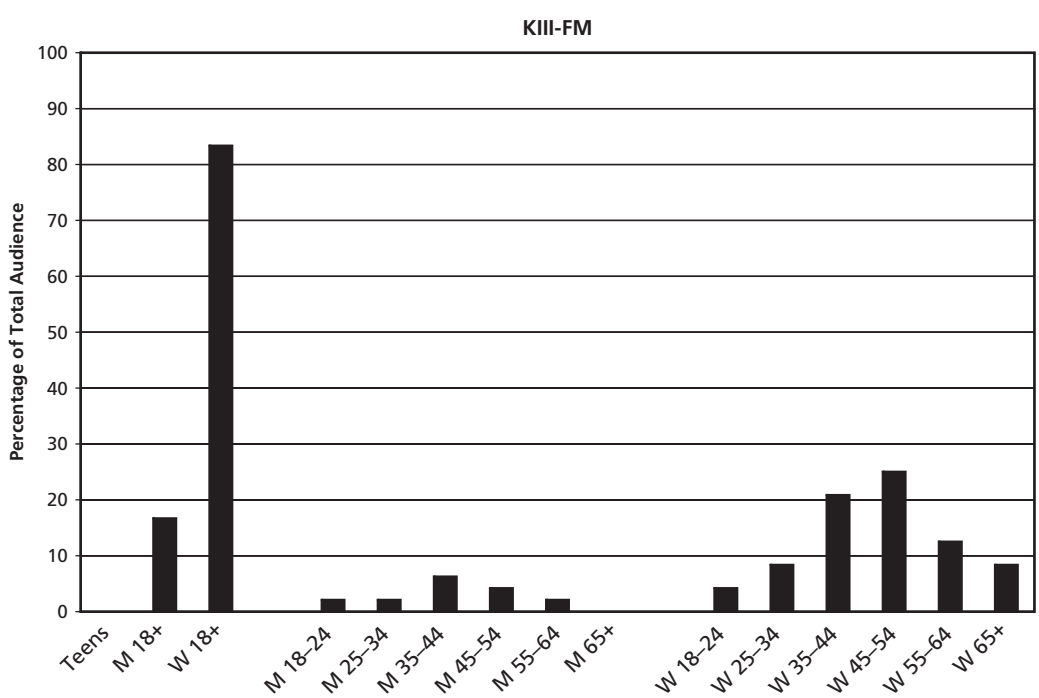
It is not enough to study population graphs and other research data about a market's radio listeners. *Radio is essentially a lifestyle medium.* Listeners choose stations, at least in part, because the station's image reflects their self-image: their tastes, their values and their interests. It is important to go into the community to find out specifically what people are doing, thinking and listening to. It is helpful to observe lifestyles by visiting restaurants, shopping centers, gas stations, nightclubs, bars, parks, sports arenas and other places where people go to have a good time.

Don't think of observation as a task reserved for times of change, however. Being active in the community, and especially in the areas of most importance to the audience, is not a one-time or occasional effort but an ongoing process to keep programmers in touch with listeners and all aspects of their lives. *Street presence, as both a promotional exercise and a research tool, is critical to the success of most music stations.*

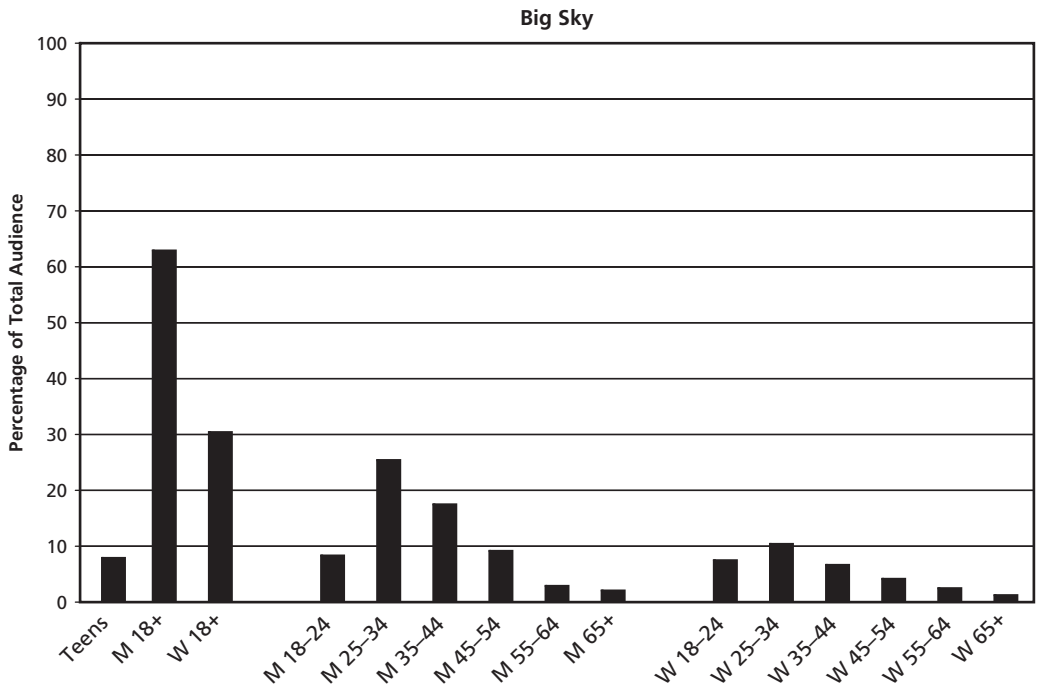
Personal interaction with the members of the audience and community is important and can provide valuable insights, but programmers should be careful not to generalize too much from that kind of anecdotal evidence (and should ***never*** assume that *their* personal tastes reflect the target audience's taste). Therefore, formal research using careful sampling procedures should supplement personal investigation. Most cities have research firms that can be hired to make special studies, and many national firms specialize in broadcast station research. Psychographic profiles (listener lifestyles and values)

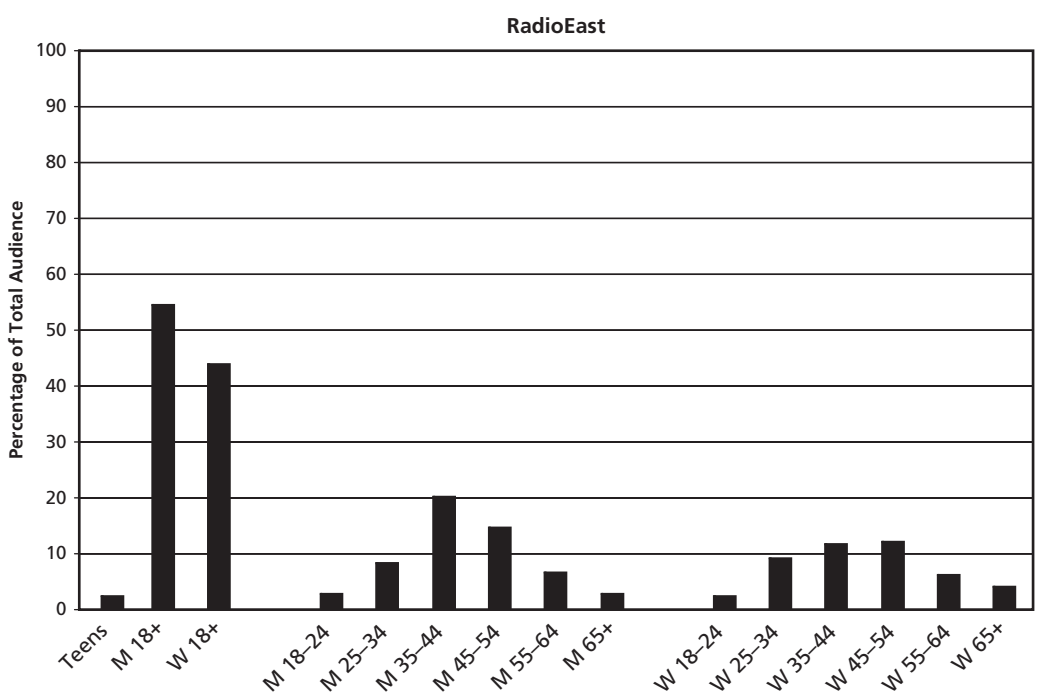
11.7 Station Skew Graph Samples: KAAA-FM and KIII-FM





11.8 Station Skew Graphs for RadioEast and Big Sky





can provide additional invaluable information for programmers about target audiences.

A study assessing current formats in the market using lengthy, in-depth interviews might get interesting responses: too many commercials, bad commercial production, too much unfamiliar or repetitive music, obnoxious contests, can't-win contests or DJs who talk too much. A station getting answers like these is ready for a major overhaul (or is vulnerable to new competition). However, research is merely one tool in the programmer's arsenal. Any study should be carefully weighed before being used to make important decisions.

As an example of the kind of findings that prove useful, a broadcast station may identify its typical over-the-air listener as a male, 30 to 40 years old, in a professional career who earns $75,000 to $100,000 a year, drives a Lexus or other upscale car, drinks imported or craft beer, goes out at least twice a week to a good restaurant, and plays golf. The station can sell this audience to advertisers that have the same target. Station promotional efforts, from contests to events, would tie in elements of lifestyle with the programming on this particular station.

Knowing the Available Budget

In addition to a program director, the usual hit music operation requires one or more *air talents* along with a production director and, perhaps, a music director. Salaries vary widely, even within market classes, and are a function of the station's results (ratings and ad revenue), the individual's job history and the individual's negotiating skills. In a medium market of 500,000, the program director may earn as much as $50,000 a year—more if she or he also handles an air shift. The morning DJ probably gets $50,000 to $80,000, and a popular afternoon drivetime DJ may get up to $40,000. The production director's salary is probably between $30,000 and $50,000 per year, and the other five or six jocks fall in a somewhat lower range.

In the top-10 markets, stations would likely have to double or triple these salary figures to get the required talent. Top morning show talent for a large market can easily run well into six figures, with superstars earning a million dollars or more annually. Successful PDs can likewise command six-figure salaries in a major market. But talent is often expected to do more for that money than they used to have to do, in every market. The afternoon drive jock is probably also recording midday, afternoon or evening shows (*voice tracking*) for as many as five or six other stations in addition to making a promotional appearance or two for the station each weekend. In smaller markets, they may also be doubling as sales personnel.

In addition to staff salaries, management must expect substantial ongoing costs for promoting and advertising. Moreover, a station often employs various consultants to help with specific areas of the operation—legal, technical, management, personnel, marketing and sales as well as programming—and all of these consultants are useful or even essential at one time or another. Some consultants are practically required on an ongoing basis—for example, a communications law firm in Washington, DC, should handle proceedings with the FCC and keep the station advised of changes in the requirements for operation or of any licensing changes pending before the commission for stations in their market.

Engineering consultants with experience in going before the commission are necessary when the station is applying for a new license or at any subsequent time when the station makes a change to its facilities that requires FCC approval. Programming consultants can provide important insights on a regular or occasional basis by finding market voids and spotting competitors' weaknesses (or your own). They may even assemble a staff to work up a specific format.

Consultation is (Whew!) expensive, however. An engineer may charge $700 a day plus expenses; a programmer may charge $3,000 a month on a three-to-six-month contract. For a complete station overhaul, consultants range from $400 to $1,000 a day. A neophyte licensee may be literally unable to start up without using one or more consultants, and even experienced operators will frequently rely on the expertise consultants provide. (As you can imagine, sharing such expertise has been one pressure toward or byproduct of consolidation.) A great deal of highly specialized knowledge and experience must be brought to bear immediately once the FCC has given the licensee authority to operate the station following construction or, more commonly, a license transfer.

Estimating Potential Revenue

It's a cold, hard reality, but programming decisions are based primarily on their revenue potential. Maximizing advertising revenue is normally the goal of the station's owners, and the value of a station and its programming is found in the value of the audience to advertisers. Program directors need some understanding of basic business principles in order to be effective. Good programming (along with good promotion and a few other factors) should deliver a good, salable audience. That is what determines the success (or failure) of a station (unlike commercial-free services).

In addition to cable, satellite and online radio competing for audiences, television, outdoor, direct mail and those few remaining newspapers compete with radio for many of the same advertising dollars. The increasing number of stations and audio services has fragmented the available audience more than ever, making survival even more difficult. Broadcast radio is generally viewed as a mature medium, demonstrating little revenue growth.

Although total revenues for the industry have gone up in recent years despite the recent recession, this factor is rapidly affected by dips and rises in the overall economy. Radio's percentage of total advertising dollars has been around 6 to 8 percent for decades, and consolidation did not improve that figure as many had hoped it would (leading many of the largest groups to divest some of the stations they perceived as less important, often in smaller markets).

On the other hand, the new competition hasn't particularly hurt it, as yet—largely because most services are supported by subscriptions rather than by advertising, or they have limited availability to audiences compared with broadcast radio, or because they don't accept advertising (or only very limited amounts). The picture may not stay this way.

It is important to keep in mind that commercial media compete intensely for local advertising revenues. In any area, advertisers most desire the 18- to 49- or 25- to 54-year-old audience (although as the baby boomer generation ages past 60, some advertisers and programmers are beginning to target those older demos). In radio, the audience subdivides into 10- to 15-year segments that specific formats target. Following Arbitron's pattern, most radio audience segments end in a 4. *If particular advertisers are not seeking all listeners 25 to 54, then they generally want a subset of that market;* some seek subgroups of 25 to 34, 25 to 44, or 35 to 54. For example, many nightclubs and other entertainment venues target audiences aged 18 to 24 or 18 to 34.

Selected advertisers, such as banking, financial institutions and packaged vacations, may seek listeners aged 55 to 64. For the most part, though, older people are seen as set in their buying habits, and regarded as saving money rather than spending it; it is presumed that they have probably bought just about everything they are ever going to buy. This perception is not necessarily accurate, however, because people are living longer, healthier, more active lives.

Many advertisers are most interested in the large population bulge represented by the baby boomers. They see that market as having money, responding to advertising and receptive to buying, even if it means going into debt. Stations have tended to track the boomer generation and adjust their music formats to continue to appeal to this group as it ages. This has resulted in continued heavy play of late '50s, '60s and '70s music (oldies or classic rock, as well as AC formats that feature plenty of songs from that era), which capitalizes on the hit songs of the baby boomers' teens-through-20s years. The next largest population bulge, the boom echo, were teens and 20s themselves from roughly the mid-80s to shortly after the turn of the century. Their music is also well represented, in various alternative and rock formats as well as contemporary country and Hot AC.

Step-by-Step Selection Process

Format strategy can be examined by working through a hypothetical market—say, a metropolitan area of slightly more than 1 million people, with 19 commercial stations licensed to the city or to nearby suburbs. The market also includes four noncommercial stations: three public radio stations affiliated with colleges and a contemporary Christian station. (The different nature of noncommercial operations is discussed in Chapter 10.) See 11.9 for a list of commercial stations in this

11.9 List of Stations, Formats, Facilities, Owners and Ratings in the Hypothetical Market (6 A. M.–Midnight, Monday–Sunday)

Station Format	ERP/HAAT Frequency	Owner	Share 12+ Cume (00)	M 18–34	W 18–3	M 25–54	W 25–54
KAAA-FM	97 kw kW/375m	Big Sky	**8.2**	**24.6**	8.4	**12.6**	3.9
Rock	100.7		1475	559	329	558	309
KBBB-FM	6 kw kW/100m	Big Sky	2.3	0.8	0.8	2.7	2.7
Smooth jazz	98.1		446	41	39	147	156
KPPP-FM	100 kw/325m	Big Sky	5.6	7.6	10.7	5.6	6.7
Hot AC	99.1		1423	329	409	379	465
KSSS	1 kwD/1 kwN	Big Sky	1.5	2.9	0.1	3.2	0.4
Sports	620		386	89	9	217	39
KSSS-FM*	6 kw/90 m	Big Sky	1.7	3.8	0.4	4.0	0.4
Sports	105.1		401	120	31	263	52
KCCC-AM	1 kwD/1 kwN	HugeCo	1.3	1.4	2.0	1.1	1.2
Variety	1320		309	63	79	70	97
KDDD-FM	100 kw/300 m	HugeCo	**10.9**	10.5	**18.5**	5.4	**11.6**
CHR	102.9		2268	443	575	434	692
KIII-FM	100 kw/425 m	HugeCo	3.9	1.3	3.8	2.6	7.1
Soft AC	94.9		918	97	174	219	389
KKKK-AM	5 kwD/5 kwN	HugeCo	**6.5**	2.0	1.4	5.3	3.5
News/talk	1010		1207	77	65	329	254
KLLL-FM	100 kw/425 m	HugeCo	6.1	6.6	11.1	4.6	7.9
Hot country	102.1		1249	223	334	301	412
KOOO-FM	98 kw/350 m	HugeCo	**7.6**	5.0	6.6	6.8	**8.1**
Country	96.3		1401	162	256	326	441
KRRR-AM	5 kwD/5 kwN	HugeCo	1.1	0.1	0.1	1.3	0.5
Talk	910		359	10	11	90	43
KFFF-FM	100 kw/400 m	RadioEast	5.4	3.4	7.9	4.0	9.2
AC	104.3		1201	149	268	285	500
KGGG-AM#	50 kwD/50 kwN	RadioEast	1.4	0.2	0.1	1.4	0.6
Oldies	1490		392	21	14	92	67
KGGG-FM#	100 kw/275 m	RadioEast	5.8	1.4	2.4	6.2	6.9
Oldies	92.7		1156	86	82	351	387
K J J J-FM	100 kw/300 m	RadioEast	**6.5**	7.7	4.3	**12.4**	6.1
Classic rock	107.7		1199	258	180	584	359
KNNN-AM	1 kwD	Hometown	3.7	4.1	5.5	2.5	4.5
Urban	1110		513	90	129	104	166
KHHH-AM	2.5 kwD/.5 kwN	Faith	0.9	0.2	0.5	0.8	0.8
Religious	780		252	21	11	69	63
KEEE-FM	100 kw/250 m	OK Ltd.	4.4	3.3	1.7	4.1	2.9
Classic country	93.5		730	86	78	186	174

*Simulcast approximately 75%.

#Simulcast approximately 90%.

hypothetical market. **Boldfacing** shows the leading station in each demographic group.

The market is typical of many medium and large markets, with three significant group-owned station clusters. The remaining commercial stations in the market are owned by small groups, with additional properties located in other markets. Of the three groups, HugeCo controls the most stations in the market and is one of the biggest national station groups, with several hundred stations covering all market sizes. Big Sky is also a major group with around 200 stations nationally, primarily in medium and a few large markets. RadioEast is a relatively small company, family controlled with fewer than 20 stations, most in medium and small markets. This is their largest cluster and second-largest market.

After a period of rapid consolidation, programming and station rankings in the hypothetical market have been fairly stable for the past couple of years. The last station acquisition took place two years ago when RadioEast bought into the market. The last format change (KIII's move to soft AC from alternative) took place at about the same time. There is relatively little competition within formats; KDDD-FM, KAAA-FM, KOOO-FM and KKKK-AM have generally been the ratings leaders for quite some time.

Station facilities are remarkably equivalent. Of the AMs, only one station is a daytimer (KNNN), although KHHH does have a restricted nighttime pattern. In the FM band, all are high-powered class Cs with the exception of Big Sky's KBBB and KSSS, both of which are class A stations licensed to nearby suburbs of the metro city. Most of KSSS's programming is simulcast on KSSS-AM as well as on four other AM stations around the state (billed as the Sports Monster Radio Network). Big Sky recently added a translator for KBBB on the opposite side of the metro area to improve coverage.

Even taking into account the relatively poor nature of its facility, Big Sky believes KBBB is underperforming in its present/smooth jazz format and is considering a format change. *Given the makeup of the market, what are the best options? Is there a format that could improve Big Sky's overall competitive situation? What groups are unserved in the population?* See 11.10 for a description of the population distribution in the hypothetical market.

First, let's look at the competitive structure of the market. Big Sky's existing primary strength is in the male demos; it has the number-one station (KAAA) among men aged 18 to 34 and 25 to 54. Between the rock and sports stations, it has nearly 35 percent of the 18 to 34 male demographic and a 20 percent share of men aged 25 to 54. With classic rock and oldies formats, RadioEast is also strong in the male demographics, but has primarily an older audience (remember the skew graphs?). Meanwhile, because of its size, HugeCo has effectively covered the full age range on the female side. Big Sky has only one female skewing station, hot AC KPPP, which is a distant third among women aged 18 to 34 behind HugeCo's CHR KDDD and hot country KLLL. Among women aged 25 to 54, KPPP is seventh, also trailing HugeCo's mainstream country KOOO, RadioEast's AC KFFF, and oldies KGGG.

Given that overview, let's look at potential format holes in the market. We can eliminate the news

11.10 Selected Population and Demographic Estimates

Total metro population: 861,000

Total DMA population: 1,300,000

DMA Racial/Ethnic Population Estimates	
White	77.0%
Black	10.0%
Hispanic	5.0%
Asian	3.0%
Native American	5.0%
Women	51.4%
Men	48.6%
Teens 12–17	10.5%
18–24	11.3%
24–34	16.5%
35–44	18.7%
45–54	16.4%
55–64	10.6%
65+	16.0%

and talk formats right away. They're expensive to program, requiring large staffs unless you offer primarily syndicated or network fare; and with two stations covering that territory, there are already enough stations in the market providing that programming.

We can also eliminate country off the top. Although this is a strong market for county music, there are already three stations in the format, with a combined 18 share of persons 12+. Each station has carved out its own audience niche, and no single station seems to have a segment large enough to further subdivide. Moreover, the two most successful country stations are owned by HugeCo, and their combined promotional and programming strength would represent a substantial barrier for any new competitor to overcome. Big Sky should look elsewhere.

The situation in AC is similar, except that no owner has more than a single station in the format. KFFF, KIII and KPPP represent a combined 15 share (and a whopping 23 share among the primary target audience, women aged 25 to 54), and their formats are spread across the range of AC programming. A fourth station would be competing head-to-head with one—and, to some extent, with all three plus CHR KDDD (which, like many CHR stations, sounds more like an AC format during weekdays in order to better capture at-work adult listeners). There could be some small niche available, but the competition in this segment, although indirect, is most likely a significant factor in KBBB's current low ratings. Moreover, we certainly want to avoid potentially cannibalizing our existing female audience on KPPP.

In the rock category, Big Sky is dominant (KAAA). Oldies and classic rock belong to competitors, but those are generally one-to-a-market formats (although an oldies hybrid might be a possibility). Combining the sports stations (KSSS-AM and FM) with KAAA, Big Sky has very strong male numbers. *Perhaps it would be possible to further increase our younger male demographic power with an alternative format or add some older listeners with a AAA format?* The rock audience will generally accept alternative music on their station, although the reverse is often not true, and KAAA plays some alternative music. Most likely, moving KBBB to alternative would simply take audience from KAAA, leaving little or no net gain.

There are several possibilities, however. One option would be an older-skewing music format like adult standard. This audience is not well served by existing programming, but that is because an older audience (55+) is often difficult to sell to advertisers. Another possibility is urban or urban oldies, currently available only on an AM daytimer with poor facilities. According to the U.S. census data, the market has a substantial minority population (approximately 10 percent black and 5 percent Hispanic), and the urban format can also have substantial appeal for white ethnic audiences. One of the Hispanic formats might succeed if it had that market all to itself, although implementation is difficult for a company without previous experience in that marketplace because of language and cultural barriers.

Finally, there's CHR, currently represented by the 12+ market leader KDDD with a share of 10.9 percent. That big share of the audience is a tempting target, and the opportunity for Big Sky to strike at the market's biggest group is a battle many program directors would relish. Moreover, the CHR (or the urban) audience would be a good fit for KPPP if there were some minor tweaking of its format, and this could potentially strengthen Big Sky's relatively weak overall female numbers without Big Sky having to simply steal from KPPP's existing audience (although there would undoubtedly be some audience sharing).

Thus, an urban hybrid (rhythmic CHR or urban AC) looks to be the best opportunity in the market. Census data indicates a substantial younger population—57 percent—within the target age range for contemporary music (28 percent in the core demographic between 18 and 34 years of age, plus 11 percent aged 12 to 17, and another 18 percent aged 35 to 44; slightly more women than men in all ages). Most of this audience is currently served by relatively few stations because the majority of stations chase the mid-adult demos. The existing urban station would not be a significant competitor

because of its facility. In addition, picking rhythmic CHR rather than true urban would allow the new KBBB to attract listeners from the large KDDD audience and potentially turn them into listeners whose first preference is KBBB (**P1s** in rating terminology—the core listeners of a station).

Implementation

A format change will necessitate a new station identity (new call letters, which would require an FCC application, and a fresh slogan), new music and probably new air talent. Moreover, the work will have to happen quietly, behind the scenes, in order to avoid tipping off the other stations (and media reporters) in the market. That means some (or even all) of the work must be done away from the station or at times when few, if any, other staff are around. The program director's first step is to settle on the station's target audience and identity.

Branding and positioning are complicated matters, but in simplest terms, *the station needs to create an image in the audience's minds that matches the audience's self-image. In other words, the station should fit into the listeners' desired lifestyle in all regards, from the music to the logo and slogan to the DJ patter between songs*. Who is the typical listener, the highly valued P1? In this case, imagine a young (20- to 30-year-old) adult, most likely female, who works in a professional or technical field; she enjoys music (with a danceable beat), clubs, movies and sports; drives a small, sporty car; is interested in fashion; dines out several times a week; exercises regularly; and enjoys traveling.

Next, we'll need to consider, in consultation with the general manager and other corporate executives, whether current Big Sky personnel (at KBBB or perhaps KPPP, or at another station outside the market) are suited to the new format. If so, those people may be quietly brought into the process as needed. If not, there will be that much more work for the PD and the one or two other managers who are aware at this point of the impending change. The air staff can be hired prior to the debut but doesn't have to be. Some stations change format, then gradually add air talent as they can be located and hired. In the interim, the station operates either without DJs or by utilizing voice tracking.

Some stations have used the initial launch period to make a splash in the market by offering extended commercial-free stretches or other special programming that lasts a few hours to a few days. But beware of setting up inappropriate audience expectations with this strategy. *Whatever management does needs to both encourage the target audience to sample the station and begin the process of building an affinity with that audience.*

Building the station's music library is another task to be accomplished before the format goes on the air. Developing rapport with record company promoters is one way to receive music (see 11.11 to get a sense of the risks). When the music director or program director makes contacts with friends in the music business, the station gets on their call schedules and mailing lists. This ensures that the station will receive all the current material promptly, in many cases prior to the actual release date. Most important, however, is becoming a reporting station for trade journals. Getting current CDs is fairly easy for stations in larger markets and others that report their airplay to major trade outlets because the record labels will happily provide them. There are also more specialized trade journals, such as *CMJ* (*www.cmj.com*), and reporting airplay to those magazines can also be a way to ensure music service (see 11.12).

To prepare a new contemporary format, the station needs the previous 6 to 12 months of releases. Performance licenses (requiring annual royalty fees) should be obtained from each of the three traditional performance rights organizations (PROs): **ASCAP** (*www.ascap.org*), **BMI** (*www.bmi.com*) and **SESAC** (*www.sesac.com*). The licenses grant the station the right to play nearly all popular music, a necessary expense for music stations. The PROs then distribute most of the money to the music's copyright holders (music publishers and songwriters), based on surveys reporting the amount of airplay.

If the station plans to stream its signal online, separate licenses are required from ASCAP, BMI and SESAC. More significantly, streaming requires paperwork to be filed with the U.S. Copyright Office

11.11 Pay-for-Play

Record companies rely on about 1,000 radio stations in the largest markets to expose their records and thus influence music sales, although online exposure is now also significantly influencing sales. Dozens of songs are released weekly, but only a handful of slots open on most radio station playlists. To call attention to new releases, the record industry enlists promotion specialists who introduce the product to radio programmers. Some of these promoters are label employees; others are independent contractors, often called "indies."

One promotion strategy used to be called "Pay-for-Play" but that term (and the associated practices) are in bad odor. Some indies were paid by major labels to get songs on major station playlists, and payments varied based on the station's market size. Bonuses were paid when songs were added during a desired week, a song's rotation increased or a song reached a certain position on the playlist. Indies paid the *station* for the right to "represent" them by getting the station exclusive releases, prizes or other promotional considerations. The indies guaranteed promotional payments to the stations, then billed the record companies.

This sounds smelly, but the "Pay-for-Play" strategy was *technically not payola* because indies didn't pay DJs to play specific songs; they wrote their contracts with participating stations. However, the word *indies* has been tarred because it has been used for both highly questionable "Pay-for-Play" promotion (read *payola*) as well as legitimate promotion by independent contractors.

In genres that don't rely on mass audiences, independent promoters are effective and generally work fully within the law. Texas, for example, has its own blend of roots country music, and about a dozen promoters target radio stations in the state. The Americana format—a hybrid of country, roots and folk—has promoters dedicated to its stations. Christian and college broadcasters have their own cadres of indie promoters.

Some indies are paid by artists and smaller labels to represent them in small markets in the hope of gaining notice by larger stations. Money is not usually passed on to stations at this level (though one wonders where it goes …). Labels can also bypass promoters and programmers to deal directly with big station groups at the corporate level. Fees are considered "sponsorship" when songs are previewed by corporate programmers or "showcases" when new talents perform.

The internet has certainly facilitated the success of local artists and bands by giving thousands of groups a chance to find an audience. Artists are creating their own promotions via websites, and of course social networks can build fan support and regional popularity. Moreover, the enormous inpact of videos going viral on YouTube can't be overestimated.

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(*www.copyright.gov*) along with a small fee, and additional performance royalties are due to the record labels and musicians. That separate performance right is acquired from SoundExchange (*www.soundexchange.com*), an organization formed to manage those digital copyrights for the record labels much as the traditional PROs track airplay and collect and distribute money for songwriters.

When assembling the music library, someone will have to dig for the recurrents and the gold—especially the latter. Because of their age, physical copies of these recordings may be scarce. Promoters and distributors are often out of stock and in some cases, discs are simply out of print. In a pre-digital world, it could have taken months to build the gold library, and these recordings would have been kept under lock and key to forestall avid collectors among staff members. This remains true today for the few stations that still play compact discs on the air, use carts (audio cartridges), reel-to-reel or even on special occasions, actual vinyl records. While certainly not commonplace for everyday use, many facilities still possess the ability to use one or more of these now antiquated technologies.

If nothing more than for ease and sound quality, most radio stations' audio functions are completely digital. This is especially true for the music library if the desired format is already in use by the company

11.12 Measuring Airplay

Disagreements about airplay decisions and how the quantities of spins are reported have been an onoing problem for both radio and the music industry. Because of flagrant abuses in the past when stations and local retailers individually reported figures, nowadays sales figures and airplay (spins) are monitored by such independent tracking organizations as Nielsen Broadcast Data Systems and Mediabase Research. Outside monitoring presumably prevents unscrupulous programmers from reporting that they played certain songs more or less frequently than they really did. Subsequently, station play figures are compiled into charts for various formats, and reported in trade magazines like *Billboard*.

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in another market. Online file transfers, flash memory devices and cheap digital storage make compiling an initial music library a process that may take only a day or two as opposed to months. It should be noted, however, that a music library is never "complete," but rather is continually changing with music being added and removed almost daily.

Some stations employ the use of *gold services* such as TM Studios' Gold Disc™ Library, a complete oldies library available on compact disc. Although it is an additional programming cost to the station, a purchased library offers savings in time and convenience. Each disc contains upwards of 20 songs, and provides an expansive collection of "the hits." In a newer incarnation, TM Studios (*tmstudios.com*) provides various catalogues of oldies and currents in both compact disc and on demand formats, including the popular *Prime Cuts* discs that are mailed weekly to the station. TM Studios also provides a comprehensive collection of online services that provide on-demand download capabilities. Depending on how far back a station will need to go for music, another online service may provide all of the necessary audio needed for the library. A straight-ahead CHR whose gold category may only go back three to five years would likely find everything needed to complete the library in a service (or combination of services) like Play MPE (*plaympe.com*), New Music Server (*newmusicserver.com*) or Radio Currents (*radiocurrents.com*). These services are available to program directors music directors and operations managers through an agreement between the station and the service for providing digital audio licensed for broadcast use, and may contain audio in all categories from gold to currents.

Another option that may be preferable when putting a station on the air with brand new facilities is to simply purchase a digital automation system with a complete (or nearly complete) music library pre-loaded in the system. Wide Orbit (*wideorbit.com*) is one such company. In addition to *WO Automation for Radio*, they also own the rights to automation software like *Scott Studios 32* and *Maestro* (products formerly owned by dMarc and Google). Another major provider is RCS (*rcsworks.com*), owned by Clear Channel, which offers automation products like *Zetta* and *NexGen* in addition to the widely used music scheduling software *Selector*. They can include the music itself (for an additional charge, of course).

Digital automation systems are dedicated computers that are used solely for running the radio station, and often contain a central server with hard-drive audio storage and a separate machine that acts as the user interface and playback machine in each of the station's control rooms. All of the music, station imaging, promos and commercial inventory can be first hosted on the server, and are streamed over the local network to the computers in the control room for storage and playback on air. This is especially efficient in the case of audio files that are used on more than one station in the cluster. Take, for example a commercial for a local car dealer: Rather than loading the car commercial on to each of the station's machines individually, the spot can be placed on the server and then distributed to one or all of the on-air machines in the building (or maybe be sent farther away). This double redundancy can also be a lifesaver in the event of a catastrophic failure of one of the local machines in a control room. *In a digital environment where no physical copy exists, backups (and backups of backups) are essential.*

Initially, the program director will need to temporarily act as the music director in order to structure the music when revamping a station or flipping formats. Later, those duties can be transitioned to one of the jocks who will act as the music director (MD). In a typical setup, the music director works for the program director, overseeing music research, taking calls from record company promotion reps and independent promoters, and preparing proposed additions and deletions to the playlist. The program director has the right to make the final call, but the music director does the background work.

The Station Sound

As you might guess, the four main elements that go into creating the sound of a radio station are *the music, the jocks, the imaging* and *the commercials* (spots). The art of radio programming is finding just the right balance as these elements come together, and that balance in turn determines whether the final product is great, mediocre or downright terrible. Clearly, no *one "right way" to program a radio station exists* (or we'd all listen to the same stations). Rather, each PD has his or her own style that influences the overall sound and gives each station its own unique personality. Most programmers will specialize in one specific format, or at most a handful of formats, but what works in one format probably doesn't work in another, and the same problem exists from market to market. One common key, however, to programming success in all formats is good research, driven by the listeners. Ultimately, the listeners decide the success or failure of a PD each time a new ratings book is released (and a lot of tension precedes the release of each book!).

To illustrate how the basic process works, this chapter presents a model that combines aspects of systems used by radio stations across the country. This system represents one plan for programming a rhythmic CHR station that is designed to achieve maximum attractiveness to the target demographic of Adults 18-34.

The Anatomy of the Clock

One of the program director's major responsibilities is to construct one or more clocks that serve as templates for each hour of a station's programming. So called because it resembles the face of a clock, it creates a graphic representation of the formula by which the station is built to achieve the desired "sound." A clock will divide any given hour of programming into portions for music (by category), station elements (jock chatter, weather, news, imaging and promos), as well as commercials. It will also provide specific placement (in minutes) for each of the elements that make up the hour. For instance, commercial breaks may be scheduled to always fall at 20 and 50 minutes after the top of the hour, with weather being the last element in the 20 break.

The PD also will create as many clocks as are needed: one for an hour with no news, another for an hour with two newscasts, another for an hour with one newscast, another for an hour with 10 commercial minutes (or 12 or 16 or however many the station allows and could sell). Clocks are a way to effectively manage dayparting—that is, estimating who is listening at a particular time of day and what their activities are, and then programming directly to them.

The most common dayparting strategies use Arbitron-defined standard dayparts: **Morning Drive** from 6 A.M.–10 A.M., **Middays** from 10 A.M.–3 P.M., **Afternoon Drive** from 3 P.M.–7 P.M., **Evenings** from 7 P.M.–Midnight, and **Overnights** from Midnight–6 A.M. Each daypart may have its own clock or multiple clocks. Conversely, there may be one clock for morning drive, and the same clock may be used throughout the rest of the day.

The Music

Our hypothetical rhythmic CHR will use five major music categories: power, current, recurrent, power gold and gold, though other stations or formats might employ additional categories. Some programmers might also further divide the categories by tempo, style, genre or—in the case of formats with substantial gold libraries—by era.

The Model

Any contemporary music station can use this basic formula ranging from CHR to rock and AC, country or urban. It would require significant modification, however, to work for an oldies or classical format.

Power. This category contains approximately ten top songs, played at the rate of four to eight each hour. (The rotation would be slower, one to three each hour, in most non-CHR formats.) Rotation is controlled so that the same song is not played at the same time of day on consecutive days. Rotation time, or the time that elapses before the cycle of ten songs begins again, will likely vary by daypart ranging from as little as 75 to 90 minutes in the late afternoon and evening in our rhythmic CHR format to as much as six or eight hours in some AC or rock formats. The exact rotation is decided by the program director. The songs in this category are the most popular of the day and receive the most airplay. They are selected weekly based on the following:

- How they test during call-out research with the station's audience
- Their national airplay rankings and audience test scores from services like BDS Radio (*bdsradio.com*, airplay charts available at *radio-info.com*)
- Local sales (to a lesser degree, but still may produce "local hits")

Area record stores can be contacted weekly for sales information, which they record by bar code. In smaller markets, rankings of sales and airplay in trade magazines often play the biggest part in determining playlists (see the "Music Research" section of this chapter). In bigger markets, telephone testing was traditionally used to measure popularity, but the popularity of cell phones among young listeners and restrictions on calling out have diminished the use of this option. In a call-out, a sample audience hears part of a song, almost always "the hook," and is asked to evaluate it. Many stations also now use online panels of listeners to evaluate songs.

Current. This category contains the remaining 20 or so currently popular songs. They are played at the rate of three or four per hour (in an hour with no commercials, five might be played). Some stations subdivide this category by tempo or mood, placing slow songs in one group and fast, upbeat ones in another; other programmers subdivide by popularity, grouping those moving up in the charts separately from those that have already peaked and are moving down in the charts. The same research methods used to determine the power songs determine those in the current category. Together, the powers and currents form the station's current playlist of about 30 songs.

Recurrent. This category contains songs that are no longer powers or currents but have been big hits within the last two years. (Some rock and AC stations may keep songs for up to three years in the recurrent section.) These songs get played at the rate of two to four per hour, depending on commercial load and desired rotation time in the first two categories. Some stations limit this category to 30 records played at the rate of one an hour; others may have as many as 100 songs, playing them twice an hour. Songs usually move into this category after being powers or currents, after a short "resting" period (where the song is not played on the station at all) of anywhere from one to four weeks depending on the song. A few songs will be dropped from the library and never make it to the recurrent category, predominantly novelty records that are burned out (listeners have tired of them) and records that *stiffed* (failed to become really big hits). These songs should be tested periodically for audience burnout by telephone call-out or web-based research.

Power Gold. This category contains records that were very big hits in the past three to ten years. There may be anywhere from 100 to 300 of these classics, and they are played at the rate of one to three per hour, depending on commercial load and format. The songs are recycled every few days with a few "new songs" from the library of power golds being added, and others being removed ensuring this category always stays fresh. These are the "never-die" songs, often by core artists in the format, that will *always* be recognized by the target audience and *immediately* identified as classics. They greatly enhance the format because listeners get the impression that the

station airs a broad range of music. Because there are so many of them, auditorium research is the best way to test these songs for desirability, recognizability and burnout, but they may occasionally also be rotated through call-out or web tests.

Gold. The gold category contains the "best of the best" from the past 10 to 15 years that are not in the recurrent or power gold categories. This group of 200 or so titles is played at the rate of maybe one an hour, depending on format and commercial load. In some formats, they may disappear entirely for certain dayparts (in the case of our hypothetical rhythmic CHR, we probably would not schedule many, if any, in afternoon drive and evenings). Songs in this group are carefully researched, usually with auditorium tests, to make sure they appeal to the station's target demographic group and are not suffering from burnout. Stations can extend their gold categories by not including in the active library every song that meets their criteria for airplay. Rotating songs in and out of the active gold library every few weeks—or creating subcategories that rotate at different speeds—can increase the audience's sense of musical variety on the station—while maintaining a consistent sound.

A final category, **oldies**, may complete the record library for some formats (although CHR stations omit it entirely). Oldies comprise the largest group because it covers the greatest span of time—all the hit songs from the 1950s up to 10 or 15 years ago. As many as 600 songs may be in the group, and they are played at the rate of one to two per hour in some formats. The commercial load and the number of older listeners the station wants to attract will determine how many oldies get played. Songs in this group had to be hits at the time they were released and must continue to be popular. Programmers for AC and oldies stations subdivide songs in this category according to the dates the songs were originally hits. The year categories listed here roughly parallel major historical shifts in the style of popular music:

- Mid-1950s to 1964
- 1965 to 1972
- 1973 to 1980
- 1980 to the early 1990s

It is important to manage the rotations carefully within gold, power gold and oldies categories, because there is never any "new" music from these periods; that is to say, you can't go back in time ten years and release a new song. There are only a certain number of songs that will exist in these categories, which is why program directors will hold some of them back, playing only 30 to 50 at a time when the library has more than 200 titles. This little trick enables the listener to still find discovery (or the "man, I haven't heard this song in forever") factor that exists with older songs. There are no "new oldies," so programmers have to be smart about their use.

Finally, it is important for programmers to realize that a song that is a huge hit in one market can be a dismal flop in another. This is especially important for a PD to remember when moving to an unfamiliar city.

The Research

In case we haven't said this often enough, *the key ingredients in designing a successful format are careful planning, ongoing local research and a willingness to adapt to changing audience tastes and competition.* Although music tastes within a format tend to be more homogenized nationally today than in the past, because of video music channels on cable, the mobility of the population and consolidation in the music and radio industries, successful programmers are always aware of—and take advantage of—market-specific variations. Music stations may employ one or more people to handle call-out or web-based research and to assemble statistics, or the music director may work with specialized consulting services.

The *more* objective information that the researcher gathers, the easier it is for the programmer to evaluate the record companies' advertising and sales. Record promoters naturally emphasize their products' victories, neglecting to mention that a record died in Los Angeles or Kansas City. The

station must depend on its own research findings to rate a piece of music reliably.

As explained in Chapter 5, call-out and web-based research gets reactions directly from radio listeners. Two versions of the technique are used—active and passive. In active call-out research, the names of active listeners are obtained from lists of contest entrants or regular listeners who volunteer to be part of a web panel. The passive version selects names at random from the telephone directory (see 11.13).

Another method of radio research, primarily for the gold and recurrent parts of the library, is auditorium testing. Several companies specialize in this kind of audience research. Typically, they bring a test group to a large room and ask them to evaluate music as excerpts are played. As many as 300 songs may be tested, with the audience writing their responses on special forms or punching in responses electronically. The tabulated results will be broken down demographically and usually provide valuable information to programmers about which songs to play in which dayparts and which songs may be wearing out for the target audience. Additional questions can be asked; for example, "What station do you listen to most?" "Second most?" "Who has the best news/the best sports/the best personalities?" "What is the most irritating?" and so on.

Web-based systems have made research more accessible to small- and medium-market stations than traditional telephone or auditorium testing because web testing is less expensive. The process begins similarly to that of active call-out telephone testing. A station recruits a sample of audience members willing to participate in testing (in this case, via on-air announcements or the station's website). Once the panel is assembled, the program director uploads the song hooks to the website weekly (or

11.13 Call-Out Research

When calling randomly selected people out of the telephone book, the first step in an interview is to qualify the person—that is, to make sure the person is in the target demographic and listens to, or prefers, the kind of music the station plays. In either case, respondents are asked to listen to excerpts (*hooks*) from the songs being researched and to rate them on a scale from 1 to 5 as follows:

1 = "Hate it."
2 = "Dislike it."
3 = "Don't care."
4 = "Like it."
5 = "My favorite record."

Research will also assess the extent to which a record might be burned out by asking listeners whether they are "tired" of hearing the song. (A high burnout percentage tells a PD that the song might need to be retired from the active library, either temporarily or permanently.) When a sample is completed (100 calls is typical), the votes for each number on the scale are tabulated. The various totals are then manipulated to obtain interpretations in terms of ratios or percentages.

For example, assume 100 listeners are called within a week, and 30 records are discussed. Twenty-four listeners say they like song number five, and 36 say it is their favorite record; 11 said they didn't like it, 6 didn't care, and 9 hated it. Fourteen had never heard it before (a very high recognition rate of 86 percent). Song number five thus has a total score of 325 and an average response of 3.78—this song is scoring very well with that core audience. It should definitely be high in the playlist, and depending on its age, trend and the scores of other current songs, it might qualify for the power category.

When doing call-based research of any kind, it is crucial that the questions be asked in the right manner. It is important to make the respondents understand that they are being asked to help determine the station's music selection. Because the station is their favorite, they should be pleased to have the opportunity to shape its programming even more to their liking. During a music interview, respondents can also be asked to comment on other things they like or dislike about the programming. This requires a sympathetic ear on the part of the researcher. No arguing back allowed.

even more frequently if needed) and then sends out an email to the sample group announcing that the music is ready for their assessment. The listeners then complete the testing at their convenience, and the results are made available immediately to the program director and music director.

The Rotation

Regardless of format, music stations must control rotation, or the frequency of play of different kinds of songs. For many years, stations used a flip card system (really!). Each song was placed on a 3 × 5 index card in a file box, sometimes separated into different categories of music. DJs were instructed to play the next available and appropriate song and place the flip card at the back of the stack.

Surprisingly, the basic system hasn't changed much, but music scheduling software allows for a much more sophisticated means of tracking what song is played, and where it is played in regard to the other elements surrounding it. By placing "restrictions" on songs, the music director and program director create exactly the flow they want. By combining airplay data with ratings information, programmers can track how the music flow impacts audience flow as well as how frequently the audience is really hearing a song. Computers can be used to do the following:

- Follow a category rotation
- Restrict some songs to particular dayparts
- Balance up-tempo and down-tempo songs
- Avoid the scheduling of two songs by the same or similar artist too closely together (for example a power gold by Justin Timberlake followed by a gold from NSync)
- Prevent songs from playing too close to the same time every day
- Prevent adjacent songs of the same type (such as two "old school" songs or two rhythm-and-blues songs)

Adherence to such restrictions leaves most of the control in the hands of the program director rather than in the hands of the on-air personality—whose focus should be on his or her performance between songs rather than on selecting music. The jocks as well as the program and music directors can get printed lists (paper logs) of all the songs to be played, although it is far more common to display the log on a computer monitor in the studio. Experienced talent with a good understanding of the format may sometimes be given the flexibility to make alterations to the schedule, but not all PDs are comfortable giving up that control. Similarly, freehanded jocks who think they may be able to skirt the system and add or delete songs at their leisure are often caught when the program director runs *reconciliation reports* that compare what was *supposed* to play with what *actually did* play.

When setting up the rules for the format, the PD must balance concerns about the sound of the station with the ability to schedule music. The more rules that are in place, the more difficult it becomes to schedule each day without breaking one or more rules. In setting up the rotations for various music categories, *it is especially important to watch the relationship between the number of songs in the category, the rotation speed and the clock structure.* The program director must make sure the categories are not cycling in time frames that are multiples of each other, which would lead to categories synchronizing and the same songs playing together in a pattern. In the example of our hypothetical station, the power category is set to turn over every 90 minutes. Thus, the current category should be rotated at a pace to *avoid* turning over at 3 or 4.5 hours (which would synchronize to the second or third power rotation at 90 minutes). Good choices would be 3.5 or 5.5 hours, keeping given songs in the categories out of sync for substantial lengths of time. Gold and recurrent categories generally have enough titles and slow enough rotation that synchronization is not a major issue, but programmers should still be aware of unintended patterns.

Superior program directors will manually "massage" the log prior to its final approval, personally reviewing the music song by song to catch any of the above-mentioned unintended patterns. While scheduling software usually eliminates these, the computer only knows to do what you tell it to do. Even with sufficient restrictions and rules outlined in the software, different songs by the same artist may unintentionally

be scheduled as the first song out of a commercial break. Should this happen three times in a five-hour airshift, it may seem to the listener that an abnormal amount of music is being played by that artist, especially if the jock calls it to their attention. By personally reviewing the log, the PD can almost completely eliminate such errors.

The Jocks

Station personalities make up a large portion of the overall "sound" of the radio station, and along with the imaging, is what truly gives a station its own identity. Once there was the big-voice boss who told the listener this was a Big Announcer, but this style faded in the early 1970s. Now there are SCREAMERS!!! (sometimes derogatorily referred to as pukers) who try to wake the very young. Then there are the shock jocks, the adult-male-oriented personalities who court FCC retribution daily (see 12.5 in Chapter 12, which discusses indecency in radio programming). But most contemporary stations rely on conversational jocks who just talk normally, as they would with any friend, when they open the microphone switch. What they talk about, and the attitude with which they convey the information, is what makes each talent and format distinctive.

Typically jocks will work in shifts following (or on a slight variation of) the standard daypart schedule: **Morning Drive** from 6 A.M.–10 A.M., **Middays** from 10 A.M.–3 P.M., **Afternoon Drive** from 3 P.M.–7 P.M., **Evenings** from 7 P.M.-Midnight and **Overnights** from Midnight-6 A.M. The challenge for the PD is to make each daypart its own distinct entity, appropriate to the audience's characteristic activities at that time, while simultaneously keeping the station's sound consistent across all dayparts. The most important ingredient in making daypart distinctions is the personality of the jock assigned to each time period, followed by the appropriate adjustments to the music rotation and other programming elements. N*either the PD nor the air talent should ever lose sight of the fact that consistency is the primary goal.* For key attributes of each daypart, see 11.14.

Under the direction of a strong PD, a kind of "sameness" will develop among all the jocks in a specified format without the drabness or dullness normally associated with sameness. In this context, *sameness* means consistency and not predictability. A listener who tunes in to the station at odd hours should always hear the same *sound* and get the same feeling from the station that they get when tuning into the station driving to work in the morning or on the way home in the afternoon. The listener should know what kind of programming to expect, and a well programmed station will deliver no matter the day or daypart.

The best air talent offers enough of herself or himself to the audience that a relationship develops, and the kind of familiarity translates into more regular listening. Listeners should feel as if they have a trusted friend with them in the car or at work when listening to the station. This relationship is especially true on country and adult contemporary stations, and while still a factor is less of a consideration on CHR stations. The true test is when jocks have the opportunity to interact with listeners at station events: Do the listeners initiate conversation recalling intimate details or things that were said on air weeks ago, or do they think it's just a person wearing a polo shirt with the station logo on it? Jocks are *station personalities* and should have personalities that are funny, informative, trustable and most of all likeable. Without these characteristics, the jock is nothing more than an announcer, and announcers are a dime a dozen.

The ever-increasing demand from owners to cut expenditures and post higher earnings at radio stations nationwide leads some programmers to consider going as far as eliminating some, most or all local air talent order to pass those savings to the bottom line. While this obviously would save money in the short term, a successful station can't survive for long playing just music and commercials. Radio needs personality to succeed—otherwise, the listener is more likely to plug in an iPod or fire up a service like Pandora so as to skip the commercials altogether. Technology has provided one partial solution to this dilemma: the invention of a process known as *voicetracking*, or the pre-recording of some or all of a jock's talkpoints during a shift. One or two people can voice track an entire day's programming on a station before going off to do

production, engineering or sales; or one air staffer can provide voice tracks for many stations in a local or regional group, perhaps in addition to a live shift on one station.

Using the internet, it is technically easy for the air talent to be in Dallas and upload voice tracks to stations in Michigan, Florida and Oregon. (But beware the accent … People in Oregon don't talk like people in Dallas.) Not only can this provide budgetary savings for the local station, but it also offers the opportunity to use better-quality air talent than would otherwise be affordable in many small and medium markets. Large-market talent may be available to voicetrack stations for as little as $100 per week.

The downside is the potential for losing what radio is best at—*being live, local and immediate*. If a station is voicetracked from a distant source and has competition that is well programmed, live and local, history says unequivocally that the nonlocal station will lose. If management decides to voicetrack, it would be best to limit it to off-peak hours like overnights, weekend mornings and nights if possible and to make every effort to ensure the talent localizes the content. Ideally, the voicetracks should be recorded as close to the actual airtime as possible in order to provide the most up-to-date information.

The Imaging

The first step in positioning the station in the listener's mind is establishing a name and call letters, which will then be used in the *imaging* or audio vignettes placed throughout the hour to establish the identity of the station. Often this will employ a mix of dial position and call letters, as well as a tag line or slogan that further establishes the station's image such as "Jacksonville's #1 Hit Music Station," or "Today's Best Country." The name should reflect the lifestyle and attitude of the target audience, and the call letters should be easily recognizable and easy to recall.

Gordon McLendon, an early innovator of the top-40 format, was one of the first broadcasters to recognize the value of sayable call letters. His first big station was KLIF, Dallas, originally named for Oak Cliff, a western section of the city. The station call was pronounced "Cliff" on the air. Then there is KABL ("Cable") in San Francisco, KOST ("Coast") in Los Angeles, and KEGL ("Eagle Radio") in Fort Worth. These call letters are memorable and distinctive brand identities and get daily usage.

Other call letters may not stand out as much, but have a history or geographic tie-in to their metro service area. WCOL in Columbus, Ohio, employs the first three letters in the city's name, and WPTI in Greensboro, North Carolina takes its calls from the region known as the **P**iedmont **T**riad. Other times, the calls will give clues to the station's history: In Charleston, West Virginia, WVSR's calls recall the day when the station was known as "Super 102," and the calls stood for the **V**alley's **S**uper **R**adio.

Today, nearly every city has a "Magic," a "Kiss" and a "Mix." More recent variants include names like "Alice" (KALC, a Hot AC station in Denver) or the Jack/Bob/Mike/Dave/Tom "anti-radio" or "we play everything" formats that originated in Canada and have spread to other countries (although with mixed results).

Stations often combine their call letters and dial position in on-air identifiers—especially if they are rock stations. In Indianapolis, rocker WFBQ calls itself Q95, and rhythmic CHR WBBM in Chicago is B96. This practice generally involves rounding off a frequency to the nearest whole number (102.7 as 103, or 96.9 as 97). The increase in the numbers of stereo receivers with digital dial displays, however, has discouraged the use of rounding off. Most stations now give their actual dial location on the air, such as Rock 100.5 ("Rock One Hundred Point Five"), KATT in Oklahoma City.

The Attitude

Aside from the station personalities, the imaging is the only other element that really can set a station apart from its competition. These pieces of audio are used in various places throughout the broadcast hour and "position" the radio station, and will establish the attitude of the station. For example, rock stations will almost always use a deep male voice with phrases like "everything that rocks," and attitude statements like "turn it up, and rip the knob off." Adult Contemporary stations conversely will use a